UNITED NATIONS

General Assembly

FIFTY-FIRST SESSION

Official Records

SECOND COMMITTEE
18th meeting
held on
Monday, 28 October 1996
at 3 p.m.
New York

SUMMARY RECORD OF THE 18th MEETING

Chairman: Mr. HAMBURGER (Netherlands)

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Distr. GENERAL
A/C.2/51/SR.18
28 May 1997

ORIGINAL: ENGLISH

96-81665 (E)

The meeting was called to order at 3.05 p.m.

AGENDA ITEM 99: TRAINING AND RESEARCH (continued)

(b) UNITED NATIONS UNIVERSITY (continued) (A/C.2/51/L.3)

Draft resolution on the United Nations University (A/C.2/51/L.3)

1. Mr. YOSHINO (Japan), introducing the draft resolution on behalf of the original sponsors and Cambodia, Honduras, Jordan, the Marshall Islands, the Republic of Moldova and Slovenia, said that, since the adoption of General Assembly resolution 49/124, the United Nations University and the United Nations Secretariat had taken steps to address the lack of visibility of the University's activities and its lack of interaction with other bodies of the United Nations system. Draft resolution A/C.2/51/L.3 recognized those steps and called on the relevant parties to continue their efforts to improve the University's interaction and communication with other bodies in the United Nations system.

AGENDA ITEM 96: SUSTAINABLE DEVELOPMENT AND INTERNATIONAL ECONOMIC COOPERATION (continued) (A/51/59, A/51/73, A/51/87, A/51/120, A/51/127, A/51/138, A/51/208-S/1996/543, A/51/210, A/51/295, A/51/314, A/51/357, A/51/462-S/1996/831, A/51/375 and A/51/529)

(a) IMPLEMENTATION AND FOLLOW-UP TO MAJOR CONSENSUS AGREEMENTS ON DEVELOPMENT (continued) (A/51/270)

(i) IMPLEMENTATION OF THE COMMITMENTS AND POLICIES AGREED UPON IN THE DECLARATION ON INTERNATIONAL ECONOMIC COOPERATION, IN PARTICULAR THE REVITALIZATION OF THE ECONOMIC GROWTH AND DEVELOPMENT OF THE DEVELOPING COUNTRIES (continued)

(ii) IMPLEMENTATION OF THE INTERNATIONAL DEVELOPMENT STRATEGY FOR THE FOURTH UNITED NATIONS DEVELOPMENT DECADE (continued)

(c) INTEGRATION OF THE ECONOMIES IN TRANSITION INTO THE WORLD ECONOMY (continued) (A/51/211-S/1996/551 and A/51/285)

2. Mr. ABDELLATIF (Egypt), referring to the report of the Secretary-General on implementation of the Declaration on International Economic Cooperation (A/51/270), said that the report had neither presented an appraisal of the implementation of the commitments and agreements of the Declaration and the Strategy, as requested in General Assembly resolution 49/92, nor identified any constraints to implementation of the obligations of developing countries set out in paragraph 23 of the Declaration, the report had touched only on control of inflation, and it had not mentioned any of the obligations of the developed countries specified in paragraphs 22, 27, 28 and 30. While the report did refer to the United Nations System-wide Special Initiative on Africa, no mention had been made of the United Nations New Agenda for the Development of Africa in the 1990s, although it was well known that the former contained nothing new and it was not clear how it would be implemented.

3. Paragraph 12 of the Declaration stated that the most important challenge for the 1990s was the revitalization of economic growth and social development in the developing countries, which called for sustained growth of the world economy and favourable external conditions. His delegation believed that two factors were essential for that revitalization, namely, the adoption by developing countries of sound, sustained internal policies and the existence of a favourable global economic environment. To that end, the declaration clearly called for the provision of resources to enable developing countries, especially the least developed ones, to cope with the challenges of the 1990s as well as a solution of external debt problems, support for long-term development projects in developing countries a stable global economy and an open multilateral trading system.

4. An examination of the global economy over the past few years showed that the developing countries had made a sustained effort to improve their economies, despite the many adverse consequences, especially in the social sphere, and that there had been a noticeable and steady reduction in the level of development assistance from developed countries. His delegation believed that international development cooperation was currently at a crossroads, and should be strengthened. A number of factors made such a strengthening possible, the most important being international consensus on a majority of development issues. The increasingly interwoven nature of the global economy made such cooperation vital, while at the same time offering both opportunities for development and risks for developing countries. Since the Declaration provided a firm basis for confronting the challenges of development, the commitments made therein should be renewed, together with the political will to honour them.

5. Mr. KULLA (Albania) said that during the period 1992-1996 Albania had created the institutional and legal basis necessary for the functioning of a free-market economy and had achieved macroeconomic stability. Its economy was growing at an average annual rate of 10 per cent, and inflation had fallen from 400 per cent in 1992 to 7.5 per cent in 1996. Albania's currency had been stabilized and privatization of its formerly centralized economy had been progressing rapidly in the major economic sectors. Those reforms would not have been possible without the assistance of the European Union, the World Bank, the European Bank for Reconstruction and Development, the International Monetary Fund (IMF) and the United Nations Development Programme (UNDP) and a number of United Nations specialized agencies. In particular, his delegation wished to thank Italy, the United States of America, Germany, Austria, Turkey, Switzerland, Greece and Japan for their support during Albania's difficult transition process.

6. Regional cooperation was a substantial element of Albania's foreign policy. In that context, it was an active member of the Black Sea Economic Cooperation and had joined in the adoption of the Sofia Declaration on Good-Neighbourly Relations, Stability, Security and Cooperation in the Balkans in July 1996. As a member of the Central European Initiative, Albania was making every effort towards integration into European Union structures. It was also improving its banking, customs and fiscal systems in order to open the way for its membership in the World Trade Organization (WTO). His delegation hoped that Albania would continue to receive the technical and financial support it needed to achieve its economic development goals.

7. Mr. DASHUTSIN (Belarus) said that the statistical data contained in the Secretary-General's report on the integration of the economies in transition into the world economy (A/51/285) convincingly showed that the social and economic situation in Central and Eastern European States was not uniform. While one group of countries had already achieved significant growth rates in both the industrial and agricultural sectors and gross domestic product (GDP) as a whole, the economic development indicators for the countries in the Commonwealth of Independent States and the Baltic States were still far from promising.

8. The transition of Belarus to a market economy had been complicated by such factors as the need to allocate up to 20 per cent of its national budget to mitigate the consequences of the disaster at the Chernobyl nuclear power plant. In addition, the breakdown of the traditional ties between Belarus and the countries of the former Soviet Union and the lack of an adequate raw materials base called for a balanced approach to the introduction of market reforms, with due consideration for their social consequences.

9. While the Central and Eastern European States were making efforts to overcome their economic crisis and introduce market reforms, that was not enough. The most important factors for improving the economies of the newly independent States included the creation of a favourable climate for investment, non-discriminatory practices in foreign trade, and access to technology and the international credit market. The specialized agencies, funds and programmes of the United Nations system should therefore increase their technical and advisory assistance, and the Bretton Woods institutions should provide additional financial assistance, to countries in transition.

10. Over the past two years, the United Nations system had done much to assist the economies in transition. In particular, the Economic Commission for Europe (ECE) had made a positive contribution to the integration of those economies into the world economy, and UNDP and the United Nations Industrial Development Organization (UNIDO) had carried out projects in Belarus. His delegation welcomed the recent decision by UNDP to increase financing for Belarus's new programming cycle for 1997-1999.

11. In recent years, the United Nations Conference on Trade and Development (UNCTAD) had also been implementing technical cooperation projects and activities aimed at supporting individual economies in transition in their accession to WTO. His delegation hoped that such cooperation would be strengthened and broadened through the more active involvement of other organizations and agencies of the United Nations system in the problems of economies in transition.

12. Mrs. ESTHYPROBO (Indonesia) said that the rapid globalization and liberalization of the world economy had significantly changed the external environment since the adoption of the Declaration on International Economic Cooperation and the International Development Strategy for the Fourth United Nations Development Decade. At the same time, there had been a resurgence of faith in the efficacy of the market together with an emerging consensus on the concept of development. In addition, the conclusion of the Uruguay Round of multilateral trade negotiations, the establishment of WTO and the outcomes of

recent United Nations conferences had augmented much of what the Declaration and the International Development Strategy had initially set out to do. While those changes must be addressed, it must also be borne in mind that globalization and the private sector alone could not integrate the various facets of people-centred sustainable development and that mechanisms such as the International Development Strategy had not lost their relevance.

13. The 1990s had begun with a recession in the developed countries and an economic slump in the countries in transition. At the same time, the overall strength of the developing countries' economies had greatly contributed to maintaining the modest growth in the world economy. By 1995, the world economy had grown stronger and the positive growth rates in the developing countries had become widespread. The stunning growth rates registered in some developing countries, such as the South-East and East Asian economies, had been the result of successful development strategies. Nevertheless, too many developing countries continued to stagnate and had been left to fend for themselves in a world of retreating multilateralism, declining official development assistance (ODA) and inadequate access to markets and technology.

14. While living standards continued to rise in the majority of developing countries, structural adjustment should not be allowed to erode those social variables, particularly in the poorest developing countries. Progress in social indicators should not lull the international community into complacency at a time when the gap between regions remained dramatically and unacceptably wide, and over a billion people continued to live in grinding poverty, illiteracy and hunger.

15. Within the new context of globalization, interdependence and the liberalization of trade and investment, the objectives of the Declaration and the International Development Strategy could be achieved through coordinated follow-up and implementation of the outcomes of recent major United Nations conferences, finalization of an Agenda for Development, renewal of the North-South dialogue, implementation of the Uruguay Round agreements and activation of WTO.

16. Ms. ESHMAMBETOVA (Kyrgyzstan) said that, in spite of the rapid progress it had made in restructuring its economy, Kyrgyzstan still faced a critical economic situation owing to its isolation from major international infrastructures, a lack of natural resources that could attract foreign investments and generate income, and the collapse of economic ties within the former Soviet Union. Nevertheless, the consequences of the collapse of Kyrgyzstan's centralized economy could have been worse had it not been for the support of the international community and, primarily, the organizations and agencies of the United Nations system.

17. A major task for Kyrgyzstan was the development of a transport infrastructure. As part of its programme for developing overland transport in Asia, the Economic and Social Commission for Asia and the Pacific (ESCAP) had begun to carry out a project in Kyrgyzstan in 1995. The successful completion of that project required the support of international financial institutions and donor countries. It was also essential to strengthen cooperation between ESCAP and the Organisation for Economic Cooperation and Development (OECD), since

their interaction in the implementation of projects would increase efficiency and eliminate duplication.

18. Regrettably, Kyrgyzstan's cooperation with UNCTAD had been episodic. The UNCTAD/ESCAP seminar held in Kyrgyzstan in August 1995 had helped Kyrgyzstan carry out the necessary procedural and preparatory measures for accession to the World Trade Organization. Her delegation supported the decision to encourage investments and develop enterprises as a priority area of UNCTAD activities, and proposed that joint projects, in particular those aimed at attracting direct foreign investment in economies in the process of privatization, should be developed and implemented.

19. Kyrgyzstan was an agrarian country: in 1995, its economic production had accounted for 40 per cent of GDP. Together with the International Fund for Agricultural Development (IFAD), Kyrgyzstan was carrying out a project to develop sheep-breeding. Kyrgyzstan intended to increase its cooperation with IFAD and to hold consultations with the Food and Agriculture Organization of the United Nations (FAO) on future cooperation.

20. Unemployment was a serious problem in Kyrgyzstan, and her delegation appealed to the International Labour Organization (ILO) to consider providing assistance with a view to developing an employment strategy and creating effective institutions and a mechanism for regulating labour migration among the population. In June 1994, IMF and the Government of Kyrgyzstan had signed a long-term agreement, known as the "three-year programme". Kyrgyzstan's cooperation with the World Bank had yielded positive results in the privatization of the country's large unprofitable enterprises. Her delegation would continue to cooperate with those prestigious organizations.

21. Mr. DOS SANTOS (Mozambique) said that the linkage between his Government's development efforts and those of the international community were vital to Mozambique's sustainable development. Notwithstanding the improvement in the world economic environment in recent years, some developing countries, particularly, the least developed countries, which included his own, faced the risk of becoming marginalized or entirely excluded from the global economy. The developing countries' share of the benefits derived from the positive developments in the international economic sphere continued to be disappointing, especially in sub-Saharan Africa. The overall objectives of Mozambique's ongoing structural adjustment programme were still far from having been achieved.

22. In implementing the Declaration on International Economic Cooperation and the International Development Strategy for the Fourth United Nations Development Decade, emphasis should be placed on increasing capital flows in the form of foreign direct investment in order to encourage the growth and strengthening of a dynamic and competitive private sector in the developing countries. His Government was implementing a comprehensive package of macroeconomic policy measures to create an environment conducive to foreign investment. ODA should flow at predictable rates in order to enable developing countries to attract increased private capital and overcome the crisis in which they currently found themselves. Only effective and increased international cooperation could save developing nations from a deeper crisis and generate sustainable development,

thereby enabling them to be true participants in the global partnership for development.

23. Mr. Rae Kwon CHUNG (Republic of Korea) cited statistics demonstrating the improved economic growth in the developing world and the increasing participation of developing countries in international trade. As the globalization and liberalization of the world economy progressed, those countries were likely to play an increasingly important role in the dynamic interactions of the world economy. Yet despite the overall positive economic performance of the developing countries, dramatic regional and national differences in that performance were becoming increasingly evident, in particular among the African countries and even among the least developed countries.

24. The Declaration on International Economic Cooperation and the International Development Strategy for the Fourth United Nations Development Decade had laid a solid foundation for the current positive performance of the world economy and the convergence of views on development policy directions. The new orthodoxy as to what constituted an effective development policy should be elaborated further during the second half of the 1990s. The fact that the least developed countries which had implemented structural reforms had realized tangible economic growth provided sufficient grounds for strengthening such reforms further. At the same time, the fact that the least developed countries that had registered negative growth had experienced political unrest and suffered from a lack of basic infrastructure justified increasing concessional financial flows and humanitarian support - for example, through the United Nations System-wide Special Initiative on Africa.

25. The emerging convergence with respect to development policy should be further highlighted and reflected in the implementation of national and international development strategies. The review and appraisal of the Declaration and the International Development Strategy should go hand in hand with follow-up work on the Agenda for Development.

26. His delegation welcomed the marked improvement in the macroeconomic performance of the countries with economies in transition and their substantial progress in establishing new market institutions. Increasing numbers of firms in the Republic of Korea were investing in those countries, and his Government had recently strengthened its economic cooperation with them through OECD. It looked forward to continued bilateral economic cooperation with those countries and increased private-sector investment there.

27. Mr. SMYSHLAEV (Department for Economic and Social Information and Policy Analysis) expressed the Department's appreciation for the positive reception given by delegations to document A/51/270, in particular, to the tentative conclusions on the future follow-up to the implementation of ideas on the revitalization of growth.

28. With regard to the remarks made by the representative of Egypt, he said that the Department had in fact been guided by the spirit of paragraph 12 of the Declaration on International Economic Cooperation and had focused on growth because it was essential for successful development policies.

29. Mr. DZUNDEV (The former Yugoslav Republic of Macedonia) said that it was encouraging to note the marked improvement in the macroeconomic performance of the economies in transition and their improved position in the world economy. His delegation was grateful to the United Nations and other organizations, in particular, ECE, the European Union, IMF, the World Bank and UNCTAD for their efforts to promote the integration of those economies into the international trading system.

30. Nevertheless, the economies in transition continued to face many difficulties relating, inter alia, to lagging privatization, inadequate investments, the reform of banks and other financial institutions, increasing trade deficits and inadequate business infrastructures. His Government had focused in recent years on stabilizing macro- and microeconomic parameters and on finalizing market reforms, in close coordination with IMF and the World Bank. Priority had been given to privatization, which was almost complete, reform of the banking system, the restructuring of enterprises and social-sector reforms, with encouraging results, considering external factors and the political situation in the region. Strict monetary policies had been pursued, stable foreign currency exchange rates had been achieved and the national debt had been reduced substantially through negotiations, paving the way for more substantial foreign investment.

31. Those positive developments notwithstanding, his country's economy continued to face various problems, in particular, a high trade deficit owing to market-access difficulties and high transport costs occasioned by the situation in the Balkans. Accordingly, his delegation urged increased participation by the international community in speeding the integration of the economies in transition into the regional and global economies.

32. Mr. GARCIA-GONZÁLES (El Salvador), speaking also on behalf of Costa Rica, Guatemala, Honduras, Nicaragua and Panama, said that since the adoption of the most recent International Development Strategy and the Declaration on International Economic Cooperation, Central America had undergone profound political and economic change. The countries of the region had grappled with the structural problems that had caused the crisis in the region and were striving to build societies which promote the equitable distribution of progress and well-being within the framework of a sustainable model of social and environmental development that accorded priority to poverty eradication, job creation and investment in people.

33. Recognizing that people must be the focus of sustainable development, the countries of Central America had established the Alliance for the Sustainable Development of Central America, a set of short-, medium- and long-term policies, programmes and actions which promoted sustainability at all levels: political, economic, social, cultural and environmental. Progress had been made, but much remained to be done to achieve those goals, and the Governments of the region had the political will to pursue those efforts, spurred on by the fervent desire of their people for a better life.

34. The sustainable development strategy being pursued by the Central American countries was compatible with the vision and expectations of the international community as expressed in General Assembly resolution S-18/3, and the challenges

inherent in the revitalization of economic growth and development in the 1990s were reflected in each country in a manner consistent with their internal realities.

35. The development of the Central American countries was impeded by their inability to participate fully in the globalization of the world economy, their lack of access to public and private financing and the need for stronger measures to liberalize trade and eliminate unlawful practices. Greater use should be made of the multilateral strategy agreed to by WTO, and a renewed effort should be made to make local economies more competitive.

36. The Central American countries urged greater cooperation between the developed and developing countries in the area of technology transfers, in the interests of enhancing the sustained economic growth of the developing countries. They were convinced that international peace and security required development and economic progress for all peoples, which was why the Alliance for Sustainable Development promoted broader access to education and training as the foundation for sustained economic growth in the region. They also urged developed and developing countries alike to share their experience in the Second Committee with respect to the implementation of sustainable development programmes. The United Nations had a key role to play in the effective coordination and promotion of multilateral efforts and in the collective examination of lessons learned by countries which had applied the sustainable development model.

37. Mr. AGEYEV (Kazakstan) said that his delegation was grateful for the measures that had been taken by the United Nations system to implement General Assembly resolution 49/106 on the integration of the economies in transition into the world economy. Those measures had helped the economies in transition to achieve relative macroeconomic stability and had generally improved their social, economic and political situation.

38. The countries members of the Commonwealth of Independent States continued to experience considerable economic and social difficulties which prevented their full and effective integration into the world economy. The United Nations system should therefore continue to provide advisory services and technical assistance to the economies in transition in order to accelerate market reforms, attract foreign investment and facilitate access of their goods and services to world markets.

39. Mr. BOHAYEVSKY (Ukraine), said that it would have been helpful if the report of the Secretary-General on the integration of the economies in transition (A/51/285) had also contained conclusions and recommendations on ways to further strengthen cooperation with the countries with economies in transition. An overall review of all projects implemented in those countries should be undertaken in order to develop a comprehensive approach to such activities. The report should have also included information from the Governments concerned on their efforts to achieve integration. That would help to publicize the trends in the countries in transition and ultimately lead to effective international assistance mechanisms. A single division of the Secretariat should be responsible for coordinating the effort on behalf of the United Nations system.

40. A number of United Nations resolutions and documents had established a solid foundation for increased international cooperation to promote the speedy and smooth transition of those countries to a market economy. His delegation welcomed in particular the efforts of ECE, UNDP, the United Nations Children's Fund (UNICEF), UNIDO, and the International Atomic Energy Agency (IAEA).

41. His country had nearly completed the first stage of its reforms, including strict monetary reform which had led to financial stability. The results of that first stage had been satisfactory, despite some remaining difficulties. The second stage would focus on major structural transformations of the national economy by promoting domestic production, thereby creating further opportunities for private business and favourable conditions for sustainable economic growth. Ukraine's domestic policy attached priority to the dynamic growth of production and improved living standards, which would be achieved through tax reductions and the removal of obstacles to the establishment and expansion of small and medium-sized enterprises.

42. The countries with economies in transition could benefit greatly from improved access to European and world markets. His country's position in international markets had been substantially undermined by anti-dumping measures of which it had been the target. His delegation hoped that the international community would take further steps to create a favourable climate for Ukraine's emerging private sector, including greater regional and subregional cooperation for the benefit of all parties, including the developing countries; assistance with the establishment of a modern infrastructure, including banking, telecommunications and transport facilities; assistance with debt problems; the transfer of environmentally sound technologies; a substantial increase in foreign investment; and assistance in combating corruption. A set of specific measures would prevent the possible marginalization of some countries with economies in transition.

43. Ukraine's difficulties had been aggravated by its need to allocate significant funds to deal with the aftermath of the 1986 nuclear accident in Chernobyl and to convert the military sector of its industry. Like other countries, Ukraine had also been seriously affected by the sanctions imposed by the Security Council on the Federal Republic of Yugoslavia.

44. His delegation looked forward to a mutually beneficial partnership with the developed world and hoped that its future membership in the Central European Free Trade Agreement, the European Union and OECD as well as full participation in the GATT/WTO system would help it achieve those goals. In conclusion, he pointed out that the unprecedented political and socio-economic transformations under way in the countries with economies in transition were in the interest of the entire international community.

The meeting rose at 4.30 p.m.